

Birmingham Airport (Finance) PLC

Annual Report and Financial Statements

for the Year Ended 31 March 2016



Registration number: 04061664

Birmingham Airport (Finance) PLC

Contents

Company Information	1
Strategic Report	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent auditors' report to the members of Birmingham Airport (Finance) PLC	5 to 6
Income Statement	7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 to 21

Birmingham Airport (Finance) PLC

Company Information

Chairman J L Hudson

Directors S L C Richards
J L Hudson
P Kehoe

Company secretary S L C Richards

Registered office Diamond House
Birmingham Airport
Birmingham
West Midlands
B26 3QJ

Solicitors Eversheds LLP
115 Colmore Row
Birmingham
West Midlands
B3 3AL

Bankers National Westminster Bank plc
2 St Phillips Place
Birmingham
West Midlands
B3 3RB

Independent auditors PricewaterhouseCoopers LLP
Chartered accountants and statutory auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Birmingham Airport (Finance) PLC

Strategic Report for the Year Ended 31 March 2016

The Directors present their strategic report for the year ended 31 March 2016.

Principal activities

From the commencement of trading on 1 February 2001, the principal activity of the company has been the provision of financing facilities to Birmingham Airport Holdings Limited (the ultimate holding company of Birmingham Airport (Finance) PLC) and Birmingham Airport Limited.

Review of the business


During February 2001, the company issued a 20 year, £105 million corporate bond, the net proceeds of which have been lent to Birmingham Airport Holdings Limited at a commercial rate of interest. During December 2013 the company entered into Private Placement Senior Notes agreements for £30 million and £45 million with terms of 10 years and 15 years respectively. The net proceeds for this transaction have been lent to Birmingham Airport Holdings Limited (£32.2 million) and Birmingham Airport Limited (£41.8 million), both at a commercial rate of interest. During March 2016 the company entered into Private Placement Senior Notes agreements for £76 million with a term of 25 years. The proceeds for this transaction have been lent to Birmingham Airport Operations Limited on 6 April 2016 at a commercial rate of interest.

As the company is a wholly owned subsidiary, whose ultimate parent is Birmingham Airport Holdings Limited, a more detailed review of the Birmingham Airport Group can be found within those financial statements including a performance review, key performance indicators and information upon financial risk management. The specific company financial risk management policies are included in note 11.

Principal risks and uncertainties

The company is risk averse in its principal activities as detailed above. The principal risk for the company is interest rates. The company has limited exposure, as both the corporate bond and private placement senior notes have fixed interest rates. The amounts owed by group undertakings attracts interest at a rate composed of current interest rate payable on the company's bond plus 0.5 per cent.

Approved by the Board on 13 July 2016 and signed on its behalf by:



.....
S L C Richards

Company secretary and director

Birmingham Airport (Finance) PLC

Directors' Report for the Year Ended 31 March 2016

The Directors present their report and the audited financial statements of the company for the year ended 31 March 2016.

Results and Dividends

The profit for the year after taxation amounted to £1.479 million (2015: £1.567 million). During the year a final dividend was paid for the year ended 31 March 2015 of £14.69 (2015: £8.77) per ordinary share, amounting to £0.735 million (2015: £0.439 million). An interim dividend for the year ending 31 March 2016 of £16.88 (2015: £16.91) per ordinary share, amounting to £0.844 million (2015: £0.846 million) was also paid during the year.

The directors recommend a final dividend payment of £0.635 million to be made in respect of the financial year ended 31 March 2016. In accordance with Financial Report Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) this dividend has not been recognised as a liability in the financial statements.

Corporate Governance

The board are appointed by shareholders of the ultimate parent company (Birmingham Airport Holdings Limited) and meet annually to discuss the financial and operational performance of the business. The company was specifically established to provide structured finance to the group as noted in its principal activities within the Strategic report.

The board has an experienced operational management and finance team who monitor the company's performance and covenant compliance.

Financial risk management

The interest rate risk for the company is discussed in note 11, the directors consider this to be the only risk for the company.

Future developments and post balance sheet events

The directors expect the company to continue to provide financing facilities to Birmingham Airport Holdings Limited and Birmingham Airport Limited, along with additional financing facilities to Birmingham Airport Operations Limited with effect from 6 April 2016.

Disclosure of information to the auditors

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Directors of the Company

The directors who were in office during the year and up to the date of signing the financial statements were as follows:

S L C Richards - Company secretary and director

J L Hudson - Chairman

P Kehoe

Approved by the Board on 13 July 2016 and signed on its behalf by:


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S L C Richards

Company secretary and director

Birmingham Airport (Finance) PLC

Statement of Directors' Responsibilities

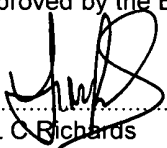
The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)*), and applicable law. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board on 13 July 2016 and signed on its behalf by:


.....
S L O Richards
Company secretary and director

Birmingham Airport (Finance) PLC

Independent auditors' report to the members of Birmingham Airport (Finance) PLC

Report on the financial statements

Our opinion

In our opinion Birmingham Airport (Finance) PLC's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the statement of financial position as at 31 March 2016;
- the income statement and statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 requires us to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK and Ireland)"). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Birmingham Airport (Finance) PLC
Independent auditors' report to the members of Birmingham Airport (Finance)
PLC (continued)

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

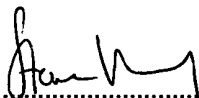
This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



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Steven Kentish (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

Date: 26 July 2016

Birmingham Airport (Finance) PLC
Income Statement for the Year Ended 31 March 2016

	Note	2016 £ 000	2015 £ 000
Turnover		-	-
Administrative expenses		(10)	(6)
Operating loss	3	(10)	(6)
Interest receivable and similar income	5	12,042	12,136
Interest payable and similar charges	6	(10,216)	(10,147)
		1,826	1,989
Profit on ordinary activities before taxation		1,816	1,983
Tax on profit on ordinary activities	7	(337)	(416)
Profit for the financial year		1,479	1,567

The above results were derived from continuing operations.

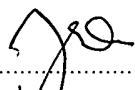
Birmingham Airport (Finance) PLC
Statement of Comprehensive Income for the Year Ended 31 March 2016

	2016	2015
	£ 000	£ 000
Profit for the financial year	1,479	1,567
Total comprehensive income for the year	1,479	1,567

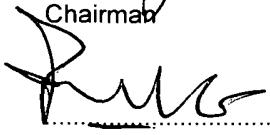
Birmingham Airport (Finance) PLC
(Registration number: 04061664)
Statement of Financial Position as at 31 March 2016

	Note	2016 £ 000	2015 £ 000
Current assets			
Debtors	8	259,504	182,225
Cash at bank and in hand		13	8
		<u>259,517</u>	<u>182,233</u>
Creditors: Amounts falling due within one year	9	(3,944)	(2,232)
Net current assets		<u>255,573</u>	<u>180,001</u>
Total assets less current liabilities		255,573	180,001
Creditors: Amounts falling due after more than one year	9	(254,185)	(178,458)
Provision for other liabilities	12	-	(55)
Net assets		<u>1,388</u>	<u>1,488</u>
Capital and reserves			
Called up share capital	13	50	50
Retained earnings		<u>1,338</u>	<u>1,438</u>
Total equity		<u>1,388</u>	<u>1,488</u>

Approved and authorised by the Board on 13 July 2016 and signed on its behalf by:



 J L Hudson
 Chairman



 P Kehoe
 Director

Birmingham Airport (Finance) PLC
Statement of Changes in Equity for the Year Ended 31 March 2016

	Note	Called up share capital £ 000	Retained earnings £ 000	Total equity £ 000
At 1 April 2014		50	1,156	1,206
Profit for the financial year		-	1,567	1,567
Dividends	14	-	(1,285)	(1,285)
At 31 March 2015		50	1,438	1,488
At 1 April 2015		50	1,438	1,488
Profit for the financial year		-	1,479	1,479
Dividends	14	-	(1,579)	(1,579)
At 31 March 2016		50	1,338	1,388

Birmingham Airport (Finance) PLC

Notes to the Financial Statements for the Year Ended 31 March 2016

1 General information

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is:
Diamond House
Birmingham Airport
Birmingham
West Midlands
B26 3QJ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 102 (FRS 102), in these financial statements. Detail of the transition to FRS 102 are disclosed in note 18.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared on a going concern basis, under the historical cost convention.

Related party transactions

The company is exempt under the terms of FRS102 from disclosing related party transactions with entities that are wholly owned by Birmingham Airport Holdings Limited.

Summary of disclosure exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions; these disclosures are included in the consolidated financial statements of Birmingham Airport Holdings Limited. The company has taken advantage of the following exemptions;

- the requirement to prepare a statement of cash flows (FRS 102 para 1.12(b));
- the non-disclosure of key management personnel compensation in total (FRS 102 para 33.7); and
- the requirement to complete a reconciliation of the number of shares outstanding at the beginning and end of the period (FRS 102 para 4.12(a)(iv)).

The company notified and did not receive any objections to the use of the above exemptions by its shareholders.

Critical accounting judgements and estimation uncertainty

The company makes relatively few judgments and estimates in preparing the financial statements and where the directors have had to make provisions they are reasonable and prudent. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Birmingham Airport (Finance) PLC
Notes to the Financial Statements for the Year Ended 31 March 2016
(continued)

2 Accounting policies (continued)

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Current and deferred tax assets and liabilities are not discounted.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are approved by the company's shareholders.

Financial instruments

Basic financial assets including accounts receivable are initially recognised at transaction price then subsequently carried at amortised cost using the effective interest method.

Basic financial liabilities, including trade and other payables, and loans that are classified as debt, are initially recognised at transaction price.

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs.

Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Income Statement over the period of the relevant borrowing.

The company assesses at the end of each period whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

Birmingham Airport (Finance) PLC
Notes to the Financial Statements for the Year Ended 31 March 2016
(continued)

3 Operating loss

Operating loss is stated after charging:

	2016 £ 000	2015 £ 000
Audit fees payable to the company's auditor	5	3

4 Directors' remuneration

No emoluments were paid to any directors' by the company during the year (2015: nil). There are no employees of the company (2015: none), other than the directors.

5 Interest receivable and similar income

	2016 £ 000	2015 £ 000
Interest income from group companies	12,042	12,136

6 Interest payable and similar charges

	2016 £ 000	2015 £ 000
Other interest payable	3,513	3,467
Corporate Bond	6,703	6,680
	10,216	10,147

Interest payable includes the amortisation of the bond debt issue costs and launch discount over the life of the debt of £0.1m (2015: £0.1m)

7 Tax on profit on ordinary activities

Tax charged in the income statement

	2016 £ 000	2015 £ 000
Current taxation		
UK corporation tax	418	420
Adjustment in respect of previous periods	(26)	-
	392	420
Deferred taxation		
Origination and reversal of timing differences	(55)	(4)
Tax on profit on ordinary activities	337	416

Birmingham Airport (Finance) PLC
Notes to the Financial Statements for the Year Ended 31 March 2016
(continued)

7 Tax on profit on ordinary activities (continued)

The differences are reconciled below:

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2015: the same as the standard rate of corporation tax in the UK) of 20% (2015: 21%).

	2016	2015
	£ 000	£ 000
Profit before tax	1,816	1,983
Corporation tax at standard rate of 20% (2015: 21%)	363	416
Adjustment in respect of previous periods	(26)	-
Total tax charge	337	416

In his recent budgets the Chancellor the Exchequer proposed a decrease in the rate of UK corporation tax from 20% to 19% from 1 April 2017 and 18% from 1 April 2020. These have been substantively enacted at the balance sheet date and are reflected in the company's financial statements. A further reduction to 17% has not yet been enacted.

8 Debtors

	Note	2016	2015
		£ 000	£ 000
Amounts owed by group undertakings	16	259,408	182,149
Prepayments and accrued income		96	76
		259,504	182,225

The inter-company loans are unsecured and there are no formal arrangements for the repayment of these amounts and consequently these amounts are strictly payable on demand. The interest receivable is based on a rate composed of the current interest rate payable on the company's bond plus 0.5 per cent. This interest rate has also been applied to the funds loaned out from the Private Placements.

9 Creditors

	Note	2016	2015
		£ 000	£ 000
Amounts falling due within one year			
Amounts owed to group undertakings		844	-
Borrowings		1,805	1,789
Corporation tax		812	420
Accruals and deferred income		483	23
		3,944	2,232
Amounts falling due after more than one year			
Loans and borrowings	10	254,185	178,458

Birmingham Airport (Finance) PLC
Notes to the Financial Statements for the Year Ended 31 March 2016
(continued)

9 Creditors (continued)

The amounts owed to group undertakings are unsecured and there are no formal arrangements for the repayment of the amounts and consequently this amount is strictly repayable on demand.

10 Loans and borrowings

	2016	2015
	£ 000	£ 000
Non-current loans and borrowings		
Bonds repayable 2021 - Original Principal	105,000	105,000
Private Placement Senior Notes	76,000	-
Private Placement Series A Senior Notes - Original Principal	30,000	30,000
Private Placement Series B Senior Notes - Original Principal	45,000	45,000
Less issue costs and discount	(1,815)	(1,542)
	<u>254,185</u>	<u>178,458</u>

All non-current loans and borrowings are payable after five years.

The private placement senior notes will mature, unless previously redeemed or purchased or cancelled on 30 March 2041. Interest on the private placement senior notes is payable on 30 March and 30 September at a fixed rate of 3.8 per cent.

The private placement senior notes A and senior notes B will mature, unless previously redeemed or purchased or cancelled on 3 December 2023 and 3 December 2028 respectively. Interest on the senior notes is payable on 3 June and 3 December at a fixed rate of 4.472 per cent for the senior A notes and 4.557 per cent for the senior B notes.

The corporate bonds will mature unless previously redeemed or purchased or cancelled on 22 February 2021. Interest on the bonds is payable on 22 February at a fixed rate of 6.25 per cent on the par value. The bonds are listed on the London Stock Exchange. The bonds were issued at a discount of 1.102 per cent, which, if amortised into the cashflow, gives an interest rate of 6.349 per cent. The remaining unamortised discount at 31 March 2016 is £0.735 million (2015: £0.860 million).

Birmingham Airport (Finance) PLC
Notes to the Financial Statements for the Year Ended 31 March 2016
(continued)

11 Financial instruments

The company's principal financial instruments comprise bonds, private placement senior notes and inter-company loans. The main purpose of these financial instruments is to raise and provide finance for the parent's and its subsidiaries operations. The company does not enter into any form of derivative financial instruments.

Funding

The company's funding is provided by its £105m 6.25 per cent, guaranteed bond issue, due for redemption on 22 February 2021, £30m 4.472 per cent Series A Senior Note private placement maturing on 3 December 2023, £45m 4.557 per cent Series B Senior Notes private placement maturing on 3 December 2028 and £76m 3.8 per cent Senior Note private placement maturing on 30 March 2041. The funding provided financing to the parent undertaking and its subsidiary operations via interest bearing inter-company loans. The company has no further funding.

Interest Rate Risk

The company's borrowing is fixed at an interest rate of 6.25 per cent through its £105m sterling bond issue. This equates to a rate of 6.349 per cent if the launch discount of 1.102 per cent is amortised back into the cashflow. The interest rates on both the Series A and Series B senior notes are fixed at 4.472 per cent and 4.557 per cent. The interest rate on the £76m senior notes is fixed at 3.8 per cent.

The company charges an interest rate of 6.75 per cent on all funds which have been lent to its ultimate parent undertaking (Birmingham Airport Holdings Limited) and group subsidiary (Birmingham Airport Limited) via an inter-company loan account.

All financial assets and liabilities have been classified as basic financial instruments under Section 11 of FRS 102, therefore no further disclosures are required.

	2016	2015
	Years	Years
Fixed rate financial liabilities	remaining	remaining
Sterling Private Placement Senior Notes Series A	8	9
Sterling Private Placement Senior Notes Series B	13	14
Sterling Bond	5	6
Sterling Private Placement Senior Notes	<u>25</u>	<u>-</u>

	2016	2015
Financial Assets and financial liabilities measured at amortised cost	£ 000	£ 000
Loans and receivables	254,185	178,458
Private Placement Senior Notes Series A	(29,784)	(29,746)
Private Placement Senior Notes Series B	(44,608)	44,571
Bonds	(104,265)	(104,141)
Private Placement Senior Notes	<u>(75,528)</u>	<u>-</u>

Birmingham Airport (Finance) PLC
Notes to the Financial Statements for the Year Ended 31 March 2016
(continued)

12 Provision for other liabilities

	Deferred tax £ 000
At 1 April 2015	55
Release	<u>(55)</u>
At 31 March 2016	<u>-</u>

Provision for other liabilities relates to deferred tax on the bond amortisation provided on transition to FRS 102, this has been released and has been included within the corporation tax charge for the current financial year.

There are no unused tax losses or unused tax credits.

13 Called up share capital

Allotted, called up and fully paid shares

	No. 000	2016 £ 000	No. 000	2015 £ 000
Ordinary Shares of £1 each	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>

There is a single class of allotted, called up and fully paid ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

14 Dividends

	2016 £ 000	2015 £ 000
Final dividend of £14.69 (2015 - £8.77) per ordinary share	735	439
Interim dividend of £16.88 (2015 - £16.91) per ordinary share	<u>844</u>	<u>846</u>
	<u>1,579</u>	<u>1,285</u>

The directors are proposing a final dividend of £12.69 (2015 - £14.69) per share totalling £0.635 million (2015 - £0.735 million).

15 Contingent liabilities

On 3 December 2013, the company along with other group members of Birmingham Airport Holdings Limited, provided guarantees in support of £75 million private placement senior notes issued by Birmingham Airport (Finance) PLC. Series A senior notes of £30 million are for a period of ten years maturing 3 December 2023 and carries a fixed interest rate of 4.472 per cent per annum. Series B senior notes of £45 million are for a period of fifteen years maturing 3 December 2028 and carries a fixed interest rate of 4.557 per cent per annum.

Birmingham Airport (Finance) PLC
Notes to the Financial Statements for the Year Ended 31 March 2016
(continued)

15 Contingent liabilities (continued)

On 30 March 2016, the company along with other group members of Birmingham Airport Holdings Limited, provided guarantees to Royal Bank of Scotland PLC and Lloyds Bank PLC in support of a £20 million banking facility made available to Birmingham Airport Holdings Limited. The facility is for a period of five years with an expiry date of 3 March 2021, with an option to extend by 2 further 12 month periods. At the date of signing these financial statements, the total amount outstanding under the facility was £nil.

On 30 March 2016, the company, along with other group members of Birmingham Airport Holdings Limited, provided guarantees in support of £76 million private placement senior notes issued by Birmingham Airport (Finance) PLC on 30 March 2016. The senior notes are for a period of 25 years maturing 30 March 2041 and carries a fixed interest rate of 3.8 per cent per annum.

16 Related party transactions

The company has taken advantage of the disclosure exemption under paragraph 33.1A, "Related Party Disclosures", of FRS 102, on the grounds that it is a wholly owned subsidiary of a group headed by Birmingham Airport Holdings Limited, whose financial statements are publicly available.

17 Parent and ultimate parent undertaking

The company's immediate parent is Birmingham Airport Operations Limited, incorporated in England.

The ultimate parent is Birmingham Airport Holdings Limited, incorporated in England.

The smallest and largest group to consolidate these financial statements and produce publicly available financial statements is Birmingham Airport Holdings Limited. These financial statements are available upon request from Diamond House, Birmingham Airport, Birmingham, West Midlands, B26 3QJ.

18 Transition to FRS 102

This is the first year that the company has presented its results under FRS102. The last financial statements under the UK GAAP were for the year ended 31 March 2015. The date of transition to FRS 102 was 1 April 2014. Set out below are the changes as a result of adopting the new reporting framework which reconcile the profit for the financial year ended 31 March 2015 and the total equity as at 1 April 2014 and 31 March 2015 between UK GAAP as previously reported and FRS 102.

The bond issue costs had previously been released to the income statement on a straight line basis, under FRS 102 these have been re-measured to be released using the effective interest rate method, with the initial gain released to retained earnings. Deferred tax has been provided on the additional income from this release at the substantively enacted tax rate of 20% and subsequently released as a corporation tax charge in the current year.

Birmingham Airport (Finance) PLC
Notes to the Financial Statements for the Year Ended 31 March 2016
(continued)

18 Transition to FRS 102 (continued)

Statement of Financial Position at 1 April 2014

	As originally reported £ 000	Reclassification £ 000	Remeasurement £ 000	As restated £ 000
Current assets				
Debtors	182,374	-	-	182,374
Creditors: Amounts falling due within one year	(2,086)	-	-	(2,086)
Net current assets	180,288	-	-	180,288
Total assets less current liabilities	180,288	-	-	180,288
Creditors: Amounts falling due after more than one year	(179,315)	-	291	(179,024)
Provision for other liabilities	-	-	(58)	(58)
Net assets	973	-	233	1,206
Capital and reserves				
Called up share capital	50	-	-	50
Retained earnings	923	-	233	1,156
Total equity	973	-	233	1,206

Birmingham Airport (Finance) PLC
Notes to the Financial Statements for the Year Ended 31 March 2016
(continued)

18 Transition to FRS 102 (continued)

Statement of Financial Position at 31 March 2015

	As originally reported £ 000	Reclassification £ 000	Remeasurement £ 000	As restated £ 000
Current assets				
Debtors	182,907	(682)	-	182,225
Cash at bank and in hand	8	-	-	8
	<u>182,915</u>	<u>(682)</u>	<u>-</u>	<u>182,233</u>
Creditors: Amounts falling due within one year	(2,232)	-	-	(2,232)
Net current assets/(liabilities)	<u>180,683</u>	<u>(682)</u>	<u>-</u>	<u>180,001</u>
Total assets less current liabilities	180,683	(682)	-	180,001
Creditors: Amounts falling due after more than one year	(179,415)	682	275	(178,458)
Provision for other liabilities	-	-	(55)	(55)
Net assets	<u>1,268</u>	<u>-</u>	<u>220</u>	<u>1,488</u>
Capital and reserves				
Called up share capital	50	-	-	50
Retained earnings	<u>1,218</u>	<u>-</u>	<u>220</u>	<u>1,438</u>
Total equity	<u>1,268</u>	<u>-</u>	<u>220</u>	<u>1,488</u>

Birmingham Airport (Finance) PLC
Notes to the Financial Statements for the Year Ended 31 March 2016
(continued)

18 Transition to FRS 102 (continued)

Income Statement for the year ended 31 March 2015

	As originally reported £ 000	Remeasurement £ 000	As restated £ 000
Turnover	-	-	-
Administrative expenses	(6)	-	(6)
Operating loss	(6)	-	(6)
Interest receivable and similar income	12,136	-	12,136
Interest payable and similar charges	(10,130)	(17)	(10,147)
	2,006	(17)	1,989
Profit/(loss) on ordinary activities before taxation	2,000	(17)	1,983
Tax on profit on ordinary activities	(420)	4	(416)
Profit/(loss) for the financial year	1,580	(13)	1,567